

Oklahoma Municipal Road Drilling Activity Fund

Frequently Asked Questions (FAQ)

What is the Municipal Road Drilling Activity Fund?

The Municipal Road Drilling Activity Fund (MRDAF) program is administered by the Oklahoma Department of Transportation. It allows eligible cities and towns in Oklahoma to receive financial assistance to repair municipal roads damaged by oil and gas drilling activities.

What is the purpose of the program?

The program helps eligible municipalities repair roads that experience accelerated wear and damage due to heavy truck traffic associated with oil and gas drilling operations. It ensures that local communities are not solely responsible for infrastructure repairs caused by industry activity.

Who is eligible to apply?

Any incorporated city or town within the state of Oklahoma with a population of under 15K may apply if:

- The road is within municipal limits.
- The damage is related to oil and gas drilling activity.
- The municipality can document the impact and need for repairs.

What types of projects qualify?

Funds are to be used for roadway repair only. Eligible projects typically include:

- Road surface repair or replacement
- Base reconstruction
- Patching, milling, and overlay

Routine maintenance unrelated to drilling activity and construction of new roads are outside the scope of the program and do not qualify.

Are awards capped?

Awards are capped at \$500,000 per project.

Is there a required local match?

MRDAF funds cover 75% of eligible project cost, not to exceed award amount. Municipalities are required to provide a 25% match. If total project costs exceed the awarded amount, the municipality is responsible for any additional cost beyond the award. In-kind funds cannot be used towards the required match.

What are some examples of ineligible expenses?

The municipality is responsible for expenses not eligible for MRDAF funds. Ineligible expenses are cost beyond roadway repair. Ineligible expenses include but are not limited to:

- Administrative cost
- Advertising cost
- Equipment purchases
- RW & UT
- Sidewalk & Trails
- Traffic lights & signage
- Work outside approved scope

Can a County assist with the required 25% local match?

Yes, a County may contribute funds toward the match, but a Resolution or MOU must be submitted outlining mutual intent. As the award recipient, the Municipality remains solely responsible for the match should the county fail to fulfill its funding commitment.

How does a municipality apply?

1. Complete the official application form found at <https://oklahoma.gov/odot/business-center/local-government-resource-center.html>
2. Provide documentation of drilling-related damage.
3. Provide a map of the affected roadways.
4. Submit cost estimates or an engineering estimate. ODOT will assist with an engineers estimate upon request.
5. Provide required municipal resolution agreeing to the project and committing to 25% match funds.

Is there a deadline to apply?

The application opens April 1st and closes September 30th each year.

Can a municipality apply for multiple projects?

Yes, municipalities may submit applications for multiple road segments, provided each project meets eligibility requirements and sufficient documentation is provided.

Can a municipality use a third party to submit the application?

Yes, municipalities may use a third party to submit the application, but we ask that a municipal contact be identified for correspondence purposes.

How are funds distributed?

Once a project is approved and an award has been made, ODOT issues the funds directly to the municipality in advance of construction. Municipalities are responsible for using the funds solely for the approved projects, maintaining proper accounting procedures and submitting documentation of expenditures. Any unused award funds must be returned.

What bidding and procurement policies must a municipality follow?

The Municipality must follow its own procurement and competitive bidding requirements, as well as any applicable state requirements. It is the responsibility of the municipality, as award recipient, to understand and comply with all applicable state laws.